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1 recall that -- I mean, it was -- it was -- we had open  
2 space; we knew what was going on really. It was  
3 funds -- not really often -- I don't really recall  
4 often or not often, but it happens that money were  
5 attached in New York.

6 Q There are allegations of breach of  
7 charter parties; correct?

8 A I don't recall. This was so many years  
9 ago, I don't recall what were the allegations. But I  
10 do remember this problem. This was a serious problem,  
11 that's why I do recall this. That's the nature of it.

12 MR. BENNETT: Can we take a two-minute  
13 break?

14 (Vista Shipping website pages marked as  
15 Baransky Exhibit Number 5)

16 BY MR. BENNETT:

17 Q Sir, I've handed you a document which  
18 we've marked as Exhibit 5. Can you take a moment to  
19 look at that and just let me know when you're done.

20 A Whole document, yeah?

21 Q Yeah. From the front page, can you tell  
22 me what it --

23 A It looks like the website of Vista  
24 Shipping at some period of time, but I think it's quite  
25 an old one. I think it's four years old probably or

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1 something like that, or five years old. When was it  
2 accessed?

3 Q If you look on the bottom right-hand  
4 corner.

5 A All right. It's 26 October 2011, yeah?

6 Q Correct.

7 So if we go to the fourth page -- fifth  
8 page of that document, that lists what you call -- what  
9 Vista calls its team; correct?

10 A Yeah, yeah, yeah, yeah, yeah.

11 Q So in October of 2011, Michael Ivanov was  
12 head of chartering; is that correct?

13 A You can say so, yeah.

14 Q And he was head of chartering for Vista;  
15 correct?

16 A He was doing chartering on behalf of  
17 Vista Shipping, to be correct.

18 Q Vladimir Yudaev is noted to be the  
19 chartering manager for Vista; correct?

20 A Yes, he was doing chartering on behalf of  
21 Vista Shipping, yeah.

22 Q And Dmitry Zorin is listed as chartering  
23 manager for Vista?

24 A Yeah, yeah, the same, yeah.

25 Q And Vladimir Ivanov, operations manager

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1 for Vista?

2 A Yeah, correct, yeah.

3 Q And Andre Obukhov is the operations  
4 manager as well?

5 A Yeah, correct, correct.

6 Q And Daniel Su is the chief  
7 representative?

8 A Yeah, which is not quite correct, yeah.

9 Q And he has a Vista Maritime e-mail;  
10 correct?

11 A I am not sure about that. I --

12 Q Well, according to the website, he's  
13 listed with a Vista Maritime website?

14 A Well, then maybe, yeah.

15 Q And Michael Ivanov was an employee of  
16 ICI; correct?

17 A Michael Ivanov was employee of IC  
18 Ukraine.

19 Q And Diamant as well?

20 A Probably before IC Ukraine, probably he  
21 was in Diamant. I think so.

22 Q Michael Ivanov, Vladimir Ivanov, and  
23 Vladimir Yudaev all worked for your father at ICI;  
24 correct?

25 A Michael Ivanov, Vladimir Ivanov, and who

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1 else?

2 Q Vladimir Ivanov, Michael Ivanov, and  
3 Vladimir Yudaev.

4 A Yeah, correct.

5 Q And the same with Daniel Su; correct?

6 A Yup, yeah.

7 Q And when you started Vista, and ICI shut  
8 its doors, or stopped doing business, those gentlemen  
9 went with you to Vista; correct?

10 A I -- yes, it's correct; however, some of  
11 them worked in Vista for just short period of time,  
12 just two or three months, then they -- then we  
13 established a joint venture company with -- we actually  
14 had two venture companies, one in Cypress, one in  
15 Turkey, for short period of time. They were working  
16 there. Not in Vista Shipping. This is concerning --  
17 this is about Vladimir Yudaev and Vladimir Ivanov.

18 MR. CHALOS: You have to say slower the  
19 names.

20 THE WITNESS: So they were with Vista for  
21 I think a year or a year and a half. I think they left  
22 in the beginning of 2009 and then came back.

23 BY MR. BENNETT:

24 Q As part of your business, do you read  
25 TradeWinds?

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1 A Yes.

2 Q And are you familiar with the articles  
3 that have connected Vista to ICI and alleged that Vista  
4 is ICI?

5 A I have read articles where reporters  
6 read -- where reporters say that in Vista, some of the  
7 people are working in Industrial Carriers, work in  
8 Vista; I am familiar with this. But it's -- it's  
9 press. What can you do with this.

10 Q Well, early on, in November 13 of 2008,  
11 there were articles written in TradeWinds that at or  
12 about the time that Vista began operating, that they  
13 were, in fact, ICI.

14 Do you recall that?

15 A I do not recall articles stating that  
16 Vista is ICI. If there was such an article, then we  
17 will definitely sue TradeWinds for this. This is  
18 100 percent.

19 To the best of my knowledge, there were  
20 articles that were written in such a form that they  
21 guess that some -- they state that some people working  
22 for us and still working Vista Shipping, and not more  
23 than this. Because, otherwise, I am sure they will be  
24 sued for this.

25 Q Are you -- do you have the ability to sue

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1 companies in the Ukraine?

2 A To sue companies in the Ukraine? As a  
3 foreign company or as a Ukraine company?

4 Q As an individual, do you have rights to  
5 sue?

6 A Any Ukraine individual has the right to  
7 sue Ukrainian company. Ukrainian -- it's like  
8 everywhere.

9 Q Did you ever sue ICI for your shares?

10 A No.

11 Q Are you aware that Vista Shipping had  
12 chartered the CAPE VIEWER to Flame?

13 A Yeah.

14 Q Have you seen that charter party?

15 A Yeah.

16 Q Do you recall that Vista Shipping  
17 represented that it was the owner of the CAPE VIEWER?

18 A Vista Shipping was not represented as  
19 owner of CAPE VIEWER in the charter party.

20 Can you show me the document, please?

21 Q Sure.

22 I'm going to show you an Americanized  
23 Wells Coal charter. It has not been marked as an  
24 exhibit. It is a charter party dated 5 July 2013  
25 between Vista Shipping Company Limited as owner of the

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1 M/V CAPE VIEWER and Flame SA and ask if you can take a  
2 moment to review that document.

3 MR. CHALOS: Are we going to mark it as  
4 an exhibit?

5 MR. BENNETT: I think we will after he's  
6 referred to it.

7 THE WITNESS: Where is it stated that  
8 Vista is an owner?

9 BY MR. BENNETT:

10 Q Do you see it on the front page how  
11 they --

12 A Yes. It is written, The charter has  
13 concluded that Vista Shipping -- oh. As owner of motor  
14 CAPE VIEWER --

15 I think we should get legal advice on  
16 this. I think this is standard charter party, where  
17 any operator, any time chartered owner would be stated  
18 as an owner, which doesn't mean Vista.

19 So any -- any company which takes the  
20 ship on time charter and lets it to Flame or to  
21 anybody, and concludes that the charter, if it is a  
22 contractual party, then it will appear as an owner.  
23 That is my view. I have -- I have to ask.

24 Q Is there a charter party between Vista  
25 and Freight Bulk for the CAPE VIEWER?

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1 A Between Vista and Freight Bulk? It is  
2 commercial management document.

3 Q So there is no charter party. So Vista  
4 uses the CAPE VIEWER as its own?

5 A No.

6 Q You're --

7 A No, no, no.

8 Q You're Vista and you're Freight Bulk;  
9 correct?

10 A No.

11 Q Mr. Baransky, you control Freight Bulk;  
12 correct?

13 A I am a director of Freight Bulk, correct,  
14 director.

15 Q And you control HACHI; correct?

16 A Yeah, to some extent. Yes, I control  
17 HACHI.

18 Q And you control Vista; correct?

19 A Yeah, I have general power of attorney  
20 Vista.

21 Q And the CAPE VIEWER is used by Vista as  
22 though it was Vista's vessel; correct?

23 A If a company concludes a commercial  
24 management agreement with Company -- with Company Y,  
25 sorry; the Company Y, who is entitled to do commercial



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1 management, can charter the ship on its own. I mean,  
2 it can do whatever is stipulated in this agreement.

3 And in this agreement, in commercial  
4 management agreement, it's clear that Freight Bulk  
5 gives Vista Shipping such a right. So that's why Vista  
6 Shipping is concluding this charter party. It's  
7 natural.

8 Your statement about ownership. This  
9 is -- how to say -- any charter party, any company  
10 which has a ship on time charter and concludes such a  
11 agreement would appear in the -- this word charter as  
12 an owner. That's quite natural, as far as I'm  
13 concerned. I think we will need to get clarification  
14 on this matter.

15 Q Okay. When you incorporated Vista in  
16 June of 2008, you had mentioned you used a gentleman in  
17 Switzerland to do that for you?

18 A Yup. This was -- 2008, yeah, right,  
19 2008.

20 Q And who recommended you to that  
21 gentleman?

22 A A friend of mine. A friend of mine  
23 living also in Geneva.

24 Q And what was the purpose of setting up  
25 Vista?

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1 A Well, initial purpose of setting up Vista  
2 was to hold, to hold my -- my personal funds.  
3 That's -- that was the initial purpose, yeah.

4 Q And did you open up a Swiss bank account?

5 A The account was opened; however, it was  
6 opened quite late. I don't recall, but it took  
7 quite -- it took a little bit of a time, a couple of  
8 months probably to set up account because, I don't  
9 know, there was some -- I don't know. It took a long  
10 time, yeah.

11 (Discussion off the record)

12 THE WITNESS: Can I speak now?

13 MR. CHALOS: Just wait and answer.

14 Listen to the questions.

15 BY MR. BENNETT:

16 Q Mr. Baransky, who is the owner of MKTM?

17 A MKTM? I have corporate department which  
18 is taking care of the structure; however, to -- as far  
19 as I recall, as far as I recall, MKTM belongs to --  
20 belongs to Marshall island, one Marshall island  
21 company. I don't recall the name.

22 Q Who is the beneficial owner? Who is the  
23 personal owner?

24 A Ultimate beneficial official owner of  
25 MKTM?

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1 Q Yes.

2 A Myself.

3 Q And who is the ultimate beneficial owner  
4 of Tech Projects?

5 A Also myself.

6 Q You had mentioned registered addresses  
7 and permanent addresses. With respect to the  
8 registered address at Armeyaskaya?

9 A Armeyaskaya, yeah.

10 Q Armeyaskaya.

11 Who actually lives there?

12 A There lives my grandfather.

13 Q Who is Liliya? "Liliya." L-I-L-I-Y-A.

14 A That's my mother.

15 Q Is your father retired from shipping or  
16 is he in the business?

17 A He's -- he's retired, yeah. He's  
18 retired. He has some interests; however, he's not --  
19 he's not working.

20 Q Do you know when he joined the shipping  
21 industry?

22 A You mean shipping industry as an  
23 entrepreneur or as a man?

24 Q Did your father ever sail on ships? Was  
25 he ever an officer or a crew member on a ship?

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1 A No. No.

2 Q When did he first get involved in the  
3 shipping industry, if you know?

4 A As an entrepreneur?

5 Q When you say as an "interpreter" --  
6 MR. CHALOS: Entrepreneur.

7 Q Yes, as an entrepreneur.

8 A I think it was immediately after collapse  
9 of Soviet Union; when commercial activity became  
10 allowed, he started.

11 Q Do you have any siblings?

12 A Sorry?

13 Q Do you have brothers and sisters?

14 A No; I'm single.

15 Q So when your dad was -- as an  
16 entrepreneur, was ICI and Diamant, was that the big  
17 company he created?

18 A Diamant was created, he had some  
19 partners. One of them was my godfather, who died, and  
20 there were probably some -- some other shareholders.

21 Q And was it your father's desire to see  
22 that you take over ICI?

23 A He didn't have desire for me to take over  
24 ICI. That's -- that's absolutely for sure. I would  
25 say -- I would say even in the country he was, he was

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1 always -- how to say -- okay, let's -- it's a  
2 complicated issue, so let's -- let's --

3 Q I'll pass that; we'll move on.

4 A Yeah.

5 Q In the year 2009, do you recall the  
6 number of charters that Vista entered into?

7 A Yes. Actually, I have requested this  
8 information prior to -- to the deposition. Vista  
9 chartered 60 vessels.

10 Q 60 vessels. And were they all either  
11 Panamax or Capesize?

12 A Either Panamax or Capesize; however, I  
13 think -- I'm not sure about proportion.

14 Q So, on average, it was one ship a week?

15 A Yeah, if -- 56 weeks in -- per annum, so  
16 on average.

17 MR. CHALOS: No; 52 weeks, not 56 weeks.

18 THE WITNESS: 56 weeks in year? How  
19 many? 52 or 56?

20 MR. BENNETT: 52. It's the deposition;  
21 it will get to you.

22 It's probably a good time to take a  
23 break.

24 (Lunch recess).  
25

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AFTERNOON SESSION

BY MR. BENNETT:

Q In 2006, who were you employed by?

A In 2006 I was either employed by Diamant or by IC Ukraine. I do not recall.

Q Did you ever hear of a company called Moonshadow Marine?

A The name sounds familiar to me; however, I don't recall. What's this company?

Q Are you familiar with a vessel by the name of the M/V MARINA?

A Yeah. Yeah, this was my ship. Not my -- this was ship controlled by me, let me correct.

Q And you took control of that ship in 2008 under the name Vista?

A No. I didn't took ship under the name of Vista. When that ship was acquired -- no, it was acquired much later. It was not acquired in 2008. It was acquired in probably 2011, I would recall.

Q And prior to that, the M/V MARINA was an ICI ship, wasn't it?

A No. MARINA was never ICI ship. The MOTOR VESSEL MARINA, I acquired here -- let me recall. I think that ship was bought; her previous name was ASPEN. I remember. Her previous name was ASPEN or

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1 ASPEN 1. I'm not sure. And the owner of the ship is a  
2 company called MD Shipping. It's an Odessa-based  
3 company. They are big owners of coastal and river  
4 fleet. And, moreover, Industrial Carriers never owned  
5 -- sea river fleet. It's small ships.

6 Moreover, Industrial Carriers has never,  
7 directly or indirectly, as per my knowledge, has never  
8 owned any ships, as per my information.

9 Q The Moonshadow Marine Limited, which  
10 owned the marina which was the Marshall Islands company  
11 set up in 2006 --

12 A No, it was not started in 2006; that's  
13 for sure.

14 This company was much later. This  
15 company was set up -- should have been set up right  
16 before acquisition, so most probably '11 or something.  
17 Something around that.

18 Q How many ships does Vista have in its  
19 fleet today?

20 A Vista Shipping? Excuse me. So you are  
21 talking about in its fleet. What do you mean by saying  
22 "its fleet"? It's oil ship, charter ship, manage ship?  
23 What do you mean by saying that? Can you clarify,  
24 please.

25 Q Sure.

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1 On the ownership side, how many ships  
2 does Vista own?

3 A Vista doesn't own any ships.

4 Q How many ships does Vista operate for  
5 companies that you own?

6 A For companies that I own -- we operate --  
7 we operate -- okay, we operate about, what, ten capes,  
8 because we are constantly selling something and buying  
9 something, so it -- the money -- the number can vary  
10 from eight to eleven roughly. But generally, ten. Ten  
11 capes. Two tankers.

12 What else Vista operates?

13 I think for Vista, for managed, I think  
14 that's all for fleet that is commercially managed by  
15 Vista Shipping.

16 Q Other than the ten capes and the two  
17 tankers, are there other ships that are within your  
18 control? When I mean "you," I mean you and any other  
19 companies that you control.

20 A Yes, there are.

21 Q How many?

22 A There are -- there is a number of coastal  
23 fleets similar to MOTOR VESSEL MARINA. Now there's  
24 seven.

25 There is transshipment fleet, docks,

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1 floating cranes, barges, two transhippers, one small  
2 tanker, small. And it's old. If you want exact  
3 number, I will say tugs, about 14, 15 tugs. Barges,  
4 about 16, 17 barges. 7 floating cranes. One  
5 transhipper, one big transhipper. I think I did not  
6 miss anything.

7 Q And of these assets that you just  
8 described, how many of those assets were held by  
9 companies that your -- that ICI controlled?

10 A Sorry, I didn't get your question.

11 Q Of these assets, especially the tugs and  
12 the small barges --

13 A Yes.

14 Q -- were any of those owned by ICI  
15 companies?

16 A No, none of the ships have ever been  
17 owned or operated -- I think never owned and most  
18 likely never operated by Industrial Carriers.  
19 Moreover, I must reiterate that Industrial Carriers,  
20 nor its affiliates, have never owned any vessels,  
21 directly or indirectly, whatever.

22 Q Are you familiar with the vessel named  
23 the M/V LYON?

24 A Yes.

25 Q And what was your relationship to that

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1 vessel?

2 A That vessel belonged to one of my close  
3 friends. That vessel was -- he owned this vessel for a  
4 couple of years. I think he owned it. I don't recall,  
5 but I think he owned it maybe since 2005 or 2004.

6 There were actually two ships: LYON; and, as far as I  
7 recall, he owned also TOULON, which was later sold.

8 Q Have you ever heard of the company Europe  
9 Asia Shipping Limited?

10 A Yes, that's registered owner of --

11 Q M/V LYON?

12 A Yes. Absolutely.

13 Q You control that company; correct?

14 A For the time being, I'm not sure. I  
15 think I gave instruction to dispose of this company  
16 because LYON was sold -- let me explain to you all the  
17 situation.

18 Not to -- this guy controlled LYON. I  
19 bought, as far as I recall, a share, one-third of that  
20 ship. That happened, I think, in 2009, most probably,  
21 I bought share of the ship, one-third. Then I bought  
22 the whole ship. This was about either 2011 or 2012 --  
23 2012. 2012. Then I used her and then I sold her for  
24 scrap. She's scrapped already. Last year she was,  
25 maybe beginning of this year, she was scrapped.

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1 Q Was it possible that you bought that ship  
2 back in October of 2008 under the name of Europe Asia  
3 Shipping Limited?

4 A No. I didn't buy the ship in  
5 October 2008. I didn't buy any ships -- my first  
6 ship -- well, first, LYON was actually -- LYON was  
7 first where I got interest. This was in 2009 in, as  
8 far as I recall, summertime probably or -- yeah, 2009.

9 Q At present, Vista -- the ten capes that  
10 Vista is -- withdraw that.

11 Ten cape-size vessels being commercially  
12 managed that you control are -- how many of those ships  
13 are operating between the Black Sea and China?

14 A What time course you're talking about?

15 Q 2008/2009.

16 A In 2008/2009? Vista did not own any  
17 capes.

18 Q Did they manage or charter --

19 A They did not manage. Not managed.  
20 Chartered, yes. But, however, capes, Vista started to  
21 charter capes in, as far as I believe in April 2009.  
22 April 2009.

23 This was actually, if you allow me to  
24 say, this was actually the biggest invention of east in  
25 the Ukraine. We were the first company to introduce

1 Capesize in the Ukraine.

2 We were loading them at berths in Yuzhny  
3 and then topping on, topping on at Kerch up to full  
4 draft capacity, which gave a lot -- a huge saving on  
5 cost, both for charter, for cargo interest, and for us.  
6 For us it's all just to maximize our margin up to  
7 biggest -- considerable extent.

8 Q When did you first begin working for  
9 Vista?

10 A What -- what do you mean by saying  
11 working for Vista?

12 Q In your statement, you state that you set  
13 up Vista in June of 2008.

14 A Yeah. Yeah.

15 Q And someone set that up for you; correct?

16 A Yes, a gentleman from Switzerland.

17 Q And when you set up Vista, did you rent  
18 space?

19 A No.

20 Q Did you get an office?

21 A No, no. At that time it was just a paper  
22 company. It was out even -- if you are talking about  
23 time of setup, it was just a paper company, not having  
24 even a bank account or office space, no employees,  
25 nothing. It was just a paper company.

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1 Q When did it become a company that had an  
2 office and people?

3 A I -- to the best of my recollection, I  
4 think it was probably October. October 2008.

5 Q And where was your offices?

6 A I had just one small office located at  
7 Street Nechipburenko Number 6, apartment -- apartment  
8 Number 7. This was underground office, about 60 square  
9 meters, very small, very tiny. There was always water  
10 coming inside and underneath because there was some old  
11 pipes there.

12 Q What was the first ship you ever  
13 chartered under name Vista?

14 A What was the name of the first ship?

15 Q Yes.

16 A The first ship was I think HARMONY  
17 FALCON, it's called.

18 Q And what size ship is that?

19 A It's a Panamax.

20 Q What was the date that you chartered that  
21 vessel?

22 A I don't recall, but I think it was  
23 October most probably.

24 Q And from October 2008 to October 2009,  
25 was that the 60 ships that you had chartered about?

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1 A No. We chartered first ship in October.  
2 In November, as far as I remember, we did  
3 not charter anything.

4 And then in December we started maybe  
5 five, five ships. We started to grow a great deal.

6 At that time, because of crisis, crisis  
7 has completely changed trading partners. Because of  
8 crisis, Europe stopped consuming a lot of iron ore, as  
9 well as Ukrainian domestic market has crashed, and  
10 there was no need for such big amount of steels.

11 And that's why there was extra amount of  
12 iron ore produced in Ukraine, which redirected from  
13 European markets and relocated in domestic markets to  
14 China. And that was the reason, actually, why -- why  
15 amounts of shipments from Blixi to China increased  
16 quite considerably. That increased started from  
17 December 2009 and was -- this amount of cargo was  
18 constantly growing until reaching peak volumes in 2012.

19 Q Going back to the HARMONY FALLON.

20 A Yes.

21 Q What cargo were you carrying?

22 A Iron ore.

23 Q From where to where from?

24 A From Ukraine to China.

25 MR. CHALOS: Sorry, let him finish so she

1 can have a good record.

2 THE WITNESS: Yes.

3 MR. CHALOS: You're rushing so just give  
4 her a second.

5 BY MR. BENNETT:

6 Q And from -- what part of the Ukraine was  
7 it going from?

8 A To the best of my recollection, it was  
9 Port of Odessa; however, I'm not a hundred percent  
10 sure. But I think so.

11 Q Who was the producer of the iron ore?

12 A Metinvest.

13 Q And was Metinvest -- Metinvest was a  
14 client of ICI's; correct?

15 A Yes, it was a client of ICI.

16 Q And as a result of the collapse of ICI,  
17 Vista was able to take over that contract; correct?

18 A What do you mean by saying take over the  
19 contract?

20 Q Started moving the same cargo to same  
21 destinations, because ICI was no longer in the market;  
22 correct?

23 A Yeah, of course. Okay, if you want me to  
24 disclose the time roughly how it was going, I can tell  
25 you.

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1 Q Who funded Vista financially?

2 A Financially?

3 Q Yeah.

4 A It was -- well, I was -- it was funded by  
5 my own funds, plus, plus borrowed funds.

6 Q Who did you borrow funds from?

7 A I borrowed from my mother. I borrowed  
8 from -- I borrowed about a couple of hundred thousand  
9 dollars, I borrowed from a company -- well, it is a  
10 completely third-party whom I didn't know; however, a  
11 friend of mine. He guaranteed for them because he was  
12 holding, he was in possession of -- I don't recall  
13 exact amount. He was in possession of about one  
14 million dollars, which belonged to me, he was in  
15 possession of that funds. And, however, he could not  
16 repay them to me immediately because he was suffering  
17 because of financial crisis as well.

18 Q Why was he in possession of a million  
19 dollars that belonged to you?

20 A Because during course of 2006, I think,  
21 to 2008, I have established also another company,  
22 apart -- it was well before Vista, which was  
23 involved -- the company was acting as a broker -- you  
24 can call it broker -- between Chinese steel mills and  
25 Ukrainian iron ore producers. As I mentioned before,



1 in 2006 Ukraine started to export iron ore. Also, we  
2 have -- I was responsible --

3 Q What was the name of that company?

4 A It was Metinvest.

5 So Metinvest was -- started to seek  
6 Chinese clients. They were not familiar -- they were  
7 not sending to China at all. And I had Daniel Su  
8 already working with Chinese mills. That's first thing  
9 I did when I was chartering. So it was -- we started  
10 linking it up and Chinese were paying commissions.  
11 And, sorry, coming back. Sorry, I -- I mixed up.

12 So coming back to this. While funds were  
13 accumulating in that company, part of these funds I  
14 invested with my friend, who is actually -- who was  
15 actually -- was owner of LYON before.

16 I invested -- apart from owning LYON, he  
17 was, he was one of the biggest great importers of cars.  
18 What I mean by saying great. He was buying, like,  
19 Toyota, Kia, South Korean cars from Dubai market,  
20 from -- not from -- he was not a dealer, white dealer.

21 He was buying them, bringing them to  
22 Ukraine, and doing this operation. He was doing quite  
23 well before the crisis of course. He was making, I  
24 don't know, he was making maybe a hundred percent on  
25 working capital return, and he was attracting money at

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1 the beginning at 33 percent, at the beginning of our  
2 corporation.

3 Later on he reduced it to 25 percent.  
4 However, when crisis happened, he stopped paying this  
5 interest and was returning the funds gradually during  
6 the course of 2008 and through half of 2009 until it  
7 took him to repay the amount.

8 Q Metinvest; were they a cargo broker?

9 A No, Metinvest is cargo producer. It's  
10 the biggest iron ore producer in Ukraine.

11 Q And you started that company?

12 A I started Metinvest?

13 Q You had mentioned -- I had asked you --  
14 you said you set up a broker company --

15 A Yes.

16 Q -- in 2006. What was the name of that  
17 company?

18 A Hasden Enterprises.

19 Q Can you spell that?

20 A H-A-S-D-E-N. Enterprises.

21 Q Is that a Ukrainian company?

22 A No. As said before, Ukraine is -- as far  
23 as I recall, this is a BVI company.

24 Q And what was the business of Hasden  
25 Enterprises?

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1           A       Hasden Enterprises was simply collecting  
2 funds from -- solely for purposes of collecting funds  
3 from brokerage, but not shipping brokerage; trading  
4 brokerage.

5           Q       Did Hasden ever hold title to cargo?

6           A       Of course not, no, of course not.

7           Q       Did Hasden assist ICI in booking cargoes  
8 for its ships?

9           A       Absolutely not. Never.

10          Q       What was the relationship between Hasden  
11 Enterprises and Metinvest?

12          A       There was no relationship. This -- there  
13 was a relationship with Chinese steel mills. Metinvest  
14 was -- Metinvest was proposing the cargo, use the fund  
15 agreement on the price to sell the cargo, and they pay  
16 the commission, and that's it.

17          Q       So Metinvest was selling the cargo to  
18 Chinese users that you introduced to Metinvest; that's  
19 how you got a brokerage fee?

20          A       Yeah, yeah, yeah.

21          Q       And then that cargo would be carried on  
22 ICI chartered ships?

23          A       Yeah, yeah. If -- no, I must correct  
24 you.

25                   (Discussion off the record)

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1 THE WITNESS: Excuse me, must correct  
2 myself because I said the wrong information.

3 It was carried on ICI ships when the  
4 cargo sold CFR. Because as far as I recall, there were  
5 cargoes sold on FOB. Then, of course, ICI was not  
6 carrying this cargo.

7 BY MR. BENNETT:

8 Q What was the name of the gentleman who  
9 owed you the million dollars? What was the name of the  
10 gentleman who had money that --

11 A His name is Roman Inde.

12 Q How do you spell his last name.

13 A Inde, I-N-D-E.

14 Q Do you recall when Mr. Michael Ivanov  
15 joined Vista?

16 A Michael Ivanov joined Vista, I think it  
17 was -- I think it was most probably November. November  
18 or late October 2008.

19 Q Michael Ivanov, Vladimir Ivanov, Daniel  
20 Su and Mr. Yudaev in October and November of 2008 went  
21 over to Vista; correct?

22 A No. Not in October. No, that's not  
23 correct.

24 Q When did they join?

25 A I was waiting --

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1 Well, Michael -- sorry. Vladimir Ivanov  
2 joined later. I think he joined either November or  
3 December. Vladimir Yudaev joined also most probably in  
4 October.

5 But --

6 Q Go ahead.

7 A But I have to say, it was -- nature of  
8 the company was Industrial Carriers was not paying  
9 anybody because the instructions from Greek office that  
10 there will be no payments effected. I don't remember  
11 the date. I think it was somewhere in September as far  
12 as I recall.

13 They told us that no payments will be  
14 effected so the company will not pay anybody. So it  
15 was -- and that's why people started -- the whole  
16 atmosphere was, you know, what are we going to do?

17 And I was -- I decided so this is the  
18 time to do something on my own. That's it. And I  
19 called my people, the people with whom I had  
20 relationships, to join me. And so did many others.

21 There were about 40 staff in the  
22 Industrial Carriers, and all of them were separated  
23 about the same time frame, they all started to have  
24 separate entities. There are about four entities,  
25 maybe five, including Vista, which appeared on the

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1 market. Everybody doing their own job, their own  
2 business, and that was quite natural. People wanted to  
3 work, they wanted to make money, and --

4 Q Roman Inde was an employee of Columbus  
5 Maritime; correct?

6 A Roman Inde, he was working. He was  
7 working with myself. I don't recall what employee of  
8 which company he was.

9 Q How much money did you borrow from your  
10 mom, from your mother?

11 A From my mother, I think -- I think it was  
12 about -- it all was in quick possession. I think it's  
13 about a million bucks, about. About that amount. It  
14 was all she could sell.

15 Q What was the name of the company that was  
16 set up that was supposed to hold the 18 percent share  
17 interest in ICI on your behalf?

18 A I think the name of the company is  
19 called, but I'm not sure, I think it's called  
20 Treadstone; however, I'm not sure because I have never  
21 seen any single document. I don't remember from where.  
22 I do know this name. May be, again, from Board of  
23 Directors, but I don't -- I haven't seen any documents  
24 concerning this company, but I think it's called  
25 Treadstone.

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1 MR. CHALOS: Tread, T-R-E-A-D?

2 THE WITNESS: I don't know. Maybe.

3 Maybe I'm wrong, okay? Maybe it's better not just to  
4 guess.

5 MR. CHALOS: Focus. Stay focused.

6 BY MR. BENNETT:

7 Q You've described during the course of the  
8 past few hours a very elaborate setup of single-purpose  
9 companies.

10 Who was in charge of managing all of  
11 those companies?

12 A Foreign entities you're talking about  
13 or Ukrainian entities or --

14 Q Foreign; the Marshall Islands. Do you  
15 have one person who is in charge of that?

16 A I have a corporate secretary who is  
17 keeping --

18 Q Who is the corporate secretary?

19 A Vladimir Varna. V-A-R-N-A.

20 Q Where are the corporate books of Vista  
21 maintained?

22 A Corporate books of Vista? Most  
23 probably -- most probably corporate secretary must have  
24 hold of them.

25 Q Who is the corporate secretary of Vista?

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1 A Vista doesn't have corporate secretary.

2 Q Okay. So where are the corporate books  
3 for Vista? Where are the physical books, the corporate  
4 books?

5 A What do you mean, Articles of  
6 Incorporation or certificates, that kind of documents  
7 you're looking for?

8 Q Yes.

9 A They are in possession of Vladimir Varna,  
10 most probably.

11 Q Varna, did you say?

12 A Varna, yes.

13 Q Where is his office located?

14 A He's located in the same.

15 Q Same area as Vista and Columbus, same  
16 office?

17 A Yeah, yeah.

18 Q Where are the corporate books for Sea  
19 Traffic maintained?

20 A For Sea Traffic, probably with him as  
21 well.

22 Q And what about HACHI?

23 A Yes.

24 Q Corporate books for HACHI?

25 A Yup.

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1 Q With Vladimir?

2 A Yup.

3 Q And the corporate books for Freight Bulk?

4 A Corporate books for Freight Bulk, I think  
5 they are in Singapore. I'm not sure, but most  
6 probably.

7 Q What book -- what documents of Freight  
8 Bulk do you maintain in the address where Vista is  
9 located?

10 A I'm not the man who is looking after all  
11 the documents. I have special people who are looking  
12 after this. I don't know. Most probably, all which  
13 are acquired by national legislation.

14 Q Where does Vista maintain its corporate  
15 bank accounts?

16 A Corporate bank account is in Regional  
17 Investment Bank, yeah.

18 Q Where does Sea Traffic keep its corporate  
19 companies accounts?

20 A Same bank.

21 Q What about Freight Bulk?

22 A Freight Bulk is a bank account in BNP  
23 Paribas, Singapore branch.

24 Q What about HACHI?

25 A Regional Investment Bank.

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1 Q What about your personal bank account?  
2 We talked about that but you never answered the  
3 question.

4 A I don't recall. I'm not -- I'm not  
5 trying to --

6 Q Do you have a personal bank account?

7 A I have one in Ukraine, that's for sure,  
8 but that's -- there is not big turnovers there.  
9 Personal bank account, I do not recall.  
10 I should have one, but I -- I don't understand --

11 Q Do you -- if you need money, do you just  
12 go to Vista's bank account and use that money or go to  
13 Sea Traffic and use that money?

14 A If I need money, I have cash in my  
15 possession.

16 Q Okay. Do you have an ATM card to get  
17 cash?

18 A Yup.

19 Q What bank is that ATM card for?

20 A Regional Investment Bank.

21 Q And what account does it take cash out  
22 of? Vista?

23 A I think it's -- it's a corporate -- it's  
24 a corporate account. It's a corporate account for one  
25 of my entities. It's not a personal account, it's a

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1 corporate account --

2 Q Okay.

3 A -- which is included a card.

4 Q Do you know how many companies that you  
5 control have bank accounts at Regional Investment?

6 A I don't know. Some of them did, but  
7 not -- I didn't open the bank account for each company  
8 because I didn't need this. I have a couple of  
9 companies having bank accounts, and that's it. I don't  
10 need many bank accounts. What -- what to do with them?

11 Q So would you set up Marshall Islands  
12 companies using Vista funds and then just fund the  
13 company through Vista?

14 A I wouldn't say so. The companies were  
15 established with funds -- well, usually it is entity  
16 which is shareholder of the company which is  
17 incorporating the company, it's -- it's using its  
18 funds.

19 And what was the second question? Sorry.

20 Q You sort of lost me there so we'll start  
21 over.

22 A No, you -- you said that --

23 Q Let's take HACHI, for example. HACHI has  
24 a bank account at Regional Investment Bank in Riga,  
25 Latvia; correct?

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1 A I think so. Yeah. I'm not sure, but I  
2 think it should have probably, yeah.

3 Q And you control that bank account; that's  
4 your bank account?

5 A Is it -- no, that bank account is  
6 controlled by my financial people, by my CFO.

7 Q Who is your CFO?

8 A Anatoliy Zaslavchik.

9 MR. CHALOS: Boy, you better spell that.

10 THE WITNESS: A-N-A-T-O-L-I-Y. Sir name  
11 is Z-A-S-L-A-V-C-H-I-K.

12 (Discussion off the record)

13 BY MR. BENNETT:

14 Q Is your CFO and your corporate secretary  
15 in the same office?

16 A Yeah.

17 Q When you walk into that office, how many  
18 people are in that office? Regardless of who they are  
19 employed by.

20 A 60 people, about.

21 Q Does your father have an office in that  
22 area?

23 A No.

24 Q I want to go back to ICI and Diamant.  
25 Okay?

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1                   When you became a trainee, first job  
2 after you got done with school and you were going to be  
3 employed, your first job was with Diamant; correct?

4                   A       Yup.

5                   Q       When you walked into the offices of  
6 Diamant, did it say ICI or Diamant?

7                   A       I was working in Yuzhny branch, which was  
8 responsible for agency and forwarding business. There  
9 was nothing written and nothing would suggest in that  
10 office that it is somehow associated with ICI.

11                  Q       And who had the controlling interest of  
12 Diamant at that time? Was that your father?

13                  A       There were a number of shareholders. My  
14 father was one of them.

15                       As per my knowledge, there was -- I mean,  
16 my father was one of -- was one who was controlling;  
17 however, there were other people participating in it.

18                  Q       And then at some point in time did you  
19 come into the offices of ICI and work at a desk instead  
20 of being out at the port?

21                  A       What time frame you're talking about?

22                  Q       Well, you tell me.

23                       How old were you when you came --

24                  A       19.

25                  Q       19 when you first -- when you joined

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1 Diamant you were 19?

2 A Yeah.

3 Q And how old were you when you stopped  
4 working at the ports and you were actually in the  
5 office?

6 A It came quite quickly. I worked just a  
7 couple of months. I think I most probably was same  
8 age.

9 Q And then you start to work in the office  
10 with the Diamant/ICI people; correct?

11 A With Diamant people. It was Diamant  
12 people I was working, employed by Diamant.

13 Q Was the -- when you walked into the  
14 office, did it have any name on the door? Did it say  
15 Industrial Carriers?

16 A No. It -- there was no name, there was  
17 no -- no, no name at all, actually, as far as I recall.

18 At later stage it was name of IC Ukraine,  
19 later, when -- when it was IC Ukraine.

20 Q What was the purpose of going from ICI to  
21 IC Ukraine?

22 A I don't know since I was not responsible  
23 for corporate decisions, no.

24 Q When you walked into the office in 2008  
25 for ICI, how many people were employed by ICI?

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1 A In 2008 during normal course of  
2 business --

3 Q Yes.

4 A -- before the --

5 About 40, 45 people. Yeah, about that.

6 Q Who were the -- when you became a  
7 shareholder effective January 1, 2008, who were the  
8 other shareholders?

9 A When I was told that I became  
10 shareholder, when I was told I became a shareholder --  
11 I think it was, I believe it was my father, Cherepanov  
12 Tarasov, and Kozminkikh, Andre Kozminkikh.

13 Q Of all the 45 people within ICI, you were  
14 the only person who got a bonus of shares of the  
15 company; correct?

16 A No.

17 Q Who else got shares?

18 A Out of -- sorry. Can you repeat the  
19 question? Out of whom?

20 Q You had mentioned that in 2008 when  
21 everything was going well there were 45 people that  
22 were employed by ICI?

23 A Yeah.

24 Q And of those you were the only one that  
25 was given shares of ICI?